VZCZCXYZ0008 RR RUEHWEB

DE RUEHTH #1719/01 3561107 ZNY SSSSS ZZH R 221107Z DEC 09 FM AMEMBASSY ATHENS TO RUEHC/SECSTATE WASHDC 1245 INFO RUEHTH/AMEMBASSY ATHENS

S E C R E T ATHENS 001719

STPDTS

E.O. 12958: DECL: 2034/12/22

TAGS: PREL GR ECON

SUBJECT: GREEK A/FM DROUTSAS' MEETING WITH P-5 AMBASSADORS

CLASSIFIED BY: Speckhard, Daniel, Ambassador, State, EXEC; REASON: 1.4(B), (D)

11. (S) Summary: In a lunch today for P-5 Ambassadors, Greek Alternate Foreign Minister Droutsas shared Greek views on Cyprus, the name issue, Turkey, and the economic crisis. On Cyprus, he pressed his belief that EU aquis communitaire could be the source of solutions for the differences that divide the communities. On the name issue, he reiterated their willingness to "solve the issue once and for all and immediately." On Turkey, he outlined the areas they were working on to improve cooperation, and privately expressed optimism in spite of the Turkish violations in the Aegean, which were unhelpful to the process. With respect to the economy, he emphasized the need to go beyond temporary measures and put the Greek economic house in order with structural reforms. As a sign of Greece's interest in more active engagement with the international community, he intends to hold such gatherings with P-5 Ambassadors on a regular basis.

Cyprus

-----

- ¶2. (S) On Cyprus, Droutsas indicated this was a critical time for negotiations. They hoped that there would be progress as a result of the active negotiations scheduled for January. They believed Christofias was showing a forthcoming attitude that was not being equally met by Talat. He thought that the more "extremist" voices, reflecting the views of Turkish settlers as opposed to the Turkish Cypriots, were having an undue influence on politics in the Turkish Cypriot side and that Turkey needed to exert more pressure for a positive result in the negotiations. He believed the fundamental difference between the two sides was that the Greek Cypriots wanted a well-functioning central state while the Turkish Cypriots wanted a loose confederation of two constituent states. He emphasized that it was important that a solution ensure that Cyprus could function well as a constituent state of the EU. While it was important to make progress, Greece opposed arbitrary deadlines. His personal experience in past negotiations suggested that the pressure of outside imposed deadlines could be counterproductive. (Note: Droutsas had written his Ph.D. dissertation on Cyprus).
- 13. (S) Ambassador Speckhard urged Greece to not underestimate the importance of taking the historic opportunity of the current negotiations to resolve this issue. While we recognized that "arbitrary deadlines" may not be helpful, it was equally important to note the political environment for the negotiations and our belief that the community leaders and interested outside states all had a strong desire to see a solution. One should not expect that the climate would be more favorable in the future. The Ambassador noted that we had similarly urged the Turkish PM to support a successful conclusion and we hoped that Greece would use its influence to support a success in the negotiations. He also noted the importance of working to create a positive climate in the press

and the public for a solution and thought the Greeks could also help in this area.

14. (S) The U.K. Ambassador asked if there was anything more that could be done to help Christofias create a positive dynamic for support for a solution. Droutsas believed more cooperation and activities among communities would be helpful. He also suggested that the Turkish Cypriots would be open to a solution along the lines of what Christofias was proposing and the problem was the Turkish settlers. Fundamentally, Greece believed the solution of many of the outstanding issues should lie in looking to the European guide of aquis communitaire. As Cyprus is a member of the EU, this could serve as the fundamental underpinning of solutions to the remaining issues.

Issue

15. (S) A/FM Droutsas said that the new developments in the Greek opposition were not making it any easier for the Government, but that they "want to solve this once and for all and do so immediately." (Note - Opposition New Democracy just elected as its leader Antonis Samaras who is known for his role in bringing down the New Democracy government of Mitsotakis in 1993 over the GoG's Macedonia policy. End Note). He noted that they had initiated a

dialogue with Skopje, with the PM's having two meetings already in the first two months of the new administration. Droutsas had also met with Milisoski at the OSCE and Papandreou met with President Ivanov on the margins of Copenhagen, another sign that they are taking every opportunity to show a new openness to finding a solution. The direct dialogue was not meant to substitute for the U.N. process, but they believed the direct contacts could be helpful in supporting the U.N. sponsored negotiations.

- 16. (S) Their position was a composite name, erga omnes. This position was based, first, on the principles that one small part of a region cannot lay claim to represent the whole, hence the need for a geographic qualifier. And second, that they wanted to solve this once and for all. If the name was not erga omnes the problem would continue into the future, with only a new race by Skopje to have its choice of name recognized over the one agreed to in the U.N. negotiations.
- 17. (S) In spite of their repeated engagements with Skopje, Droutsas said they saw little sign that Gruevski was serious in wanting to resolve this quickly. In fact, they were seeing just the opposite with Gruevski once again resorting to "the rhetoric of extremism." Droutsas said Gruevski was "the dominator" in local politics and in a position to get things done. Gruevski needed to hear from others that Athens means business in resolving the issue. Droutsas speculated that given his strength, Gruevski may be playing with the idea of snap elections. This could set back potential progress on the name issue, or if Gruevski played it right, could help him in showing success in moving to EU and NATO membership.
- 18. (S) Ambassador Speckhard urged Greece to press ahead in the negotiations, noting that, similar to Cyprus, it was unlikely that the climate for a solution would improve with time. The Ambassador recalled the PM's past comments that it was important to achieve foreign policy successes early in the new administration's tenure, before the press of issues on the domestic front made it more difficult. Droutsas said that in spite of little sign that Gruevski was serious, they would keep trying.

-----

- 19. (S) Similar to the PM's experience of 1999-2004, he was pressing ahead with improving relations with Turkey. During the meetings the PM had in Ankara in October and with Davutoglu at the OSCE, they had discussed how to proceed in their effort to improve relations and make progress on outstanding issues. He said they agreed to examine possibilities in the coming weeks in four domains:
- -- Cooperation on a global level, such as the environment. The PM believed that following Copenhagen it was a good time to pursue this. He had a personal interest in advancing the agenda to protect the environment in the Mediterranean.
- -- Cooperation on a regional level, particularly in the Middle East. Droutsas recalled the initiative of Papandreou when he was Foreign Minister to travel with his Turkish counterpart to Israel and meet with Arafat and Sharon.
- -- Cooperation with the EU. Greece could share its experiences in the EU with Turkey. Greece fully supports Turkey's accession process and believed full membership should be the goal.
- -- Cooperation in other areas, such as counter-terrorism and economic and cultural relations. These were good areas to strengthen relations and "create necessary atmosphere of mutual trust."
- 110. (S) Greece also intended to give new dynamism to the "exploratory talks" on the Aegean, with a view to finding a solution to the continental shelf, which if they could not resolve bilaterally could be taken to The Hague. Droutsas noted that Turkey's actions in the Aegean were not helping and were working against the goal of improving cooperation. After the meeting, in response to Ambassador Speckhard's encouragement to continue pressing ahead with the efforts to strengthen ties with Turkey, Droutsas was positive. Unlike the usual Greek response, he did not resort to the litany of grievances in the Aegean but was very upbeat on their strategic effort to fundamentally alter the relationship with their big neighbor.

Economic Crisis

-----

- 111. (SBU) In response to a query by Ambassador Speckhard on the effect of the economic crisis, the Alternate Foreign Minister said that Greece intended to attack "the real roots of the problem" and does not think temporary measures were sufficient. Structural reform was necessary to put their house in order. They needed to:
- -- reform the taxation system,
- -- fight the inefficiencies of the government,
- -- and reduce from five to three the levels of governance in Greece, which would improve finances and reduce opportunities for

corruption (a reference to consolidation of local authorities.) He recognized the challenges they faced, and understood the need for immediate actions on the public finances, but he emphasized that these could not be a substitute for structural reform.

Climate Change, UNSC, Maranthi Pipeline

-----

- 112. (SBU) Given the meeting taking place in Copenhagen, Ambassador Speckhard underlined for the Alternate Foreign Minister and other P-5 Ambassadors the strong commitment of the Obama administration to success in the negotiations on climate change. He noted the U.S. efforts to go the extra mile to get a political agreement at Copenhagen. The interest of the P-5 Ambassadors was on whether the U.S. President would show up in Copenhagen and "save the day" given the eleventh hour complications.
- 113. (C) Droutsas also took the opportunity of the presence of the P-5 Ambassadors to make a plug for Greece to assume a rotating seat on the UNSC in 2025-26 (which drew a few chuckles, given the distant date).
- 114. (SBU) Following the meeting the Ambassador also pressed the Alternate FM to put pressure on the system to complete the negotiations that would allow the construction of the Maranthi Fuel Pipeline at Souda Bay. Droutsas said that he thought the discussions were proceeding well, but if they were not completed by the end of the month he would personally intercede. Speckhard